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Philippines

Poultry and Products

SSG on Poultry Lifted Temporarily 2004

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Report Highlights:

The Philippines has temporarily lifted the special safeguard (SSG) duty on imports of chicken meat partly in response to rising retail prices of dressed chicken in the country. The Philippine Department of Agriculture has announced that it will allow the special importation of some 10,000 MT of chicken over and above the Minimum Access Volume of 22,968 MT for 2004. The out-of-quota chicken importation will only be subject to the regular 40 percent duty and will be exempt from the normal SSG duties applicable.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Manila [RP1]
[RP]

The Philippine Department of Agriculture (DA) has announced that it will temporarily lift the special safeguard (SSG) on chicken meat imports. The DA has instructed the Bureau of Customs to temporarily stop the collection of SSG duties on chicken products. In 2002, the Philippines imposed a price-based SSG duty over and above the regular tariff on chicken products under the following tariff headings (see GAIN RP2073) based on Republic Act 8800 or the Safeguard Measures Act:

H.S. Code	Product Description	Duty	Trigger Price (Pesos/kg)
0207.11.20	Meat Offal of the species Gallus domesticus, not cut in pieces, fresh or chilled	40%	93.96
0207.12.20	Meat of fowls of the species Gallus domesticus, frozen	40%	93.96
0207.14.12	Livers of the species Gallus domesticus, frozen	40%	423.55
0207.14.92	Other cuts and offal of fowl of the species Gallus domesticus, frozen	40%	93.96
1602.32.90	Meat or offal of fowls of the species Gallus domesticus, prepared or preserved other than in airtight containers	40%	259.22

In response to rising retail prices of dressed chicken, the DA will now allow the importation of some 10,000 MT of chicken in excess of the Minimum Access Volume of 22,968 MT. The said out-of-quota chicken importation will only be subject to the regular 40 percent duty and will be exempt from SSG duties normally imposed on out-of-quota chicken imports. At present, both in-quota and out-of-quota poultry products are levied a uniform rate of 40 percent.

According to the DA, the special importation will be administered on a first-come-first-served basis and will be open to all interested importers. Local traders would be allowed to first bring in 5,000 MT of chicken from June to August while an additional 5,000 MT will be allowed entry from September until the end of the year should the shortfall continue. Only a total of 66 containers would be allowed to enter the country per month under this special importation, with each trader entitled to a maximum of 20 containers. Importation after August will be subject to further review by DA at that time.

According to trade contacts, the current landed price of US chicken leg quarters, including the 40 percent tariff, is about P70/kg. The price of chicken leg quarters would increase to about P85/kg with the SSG. The current retail price of dressed chicken is P110/kg. According to press reports, the farm gate price of chicken is about P60/kg.

H.S. Code	Product Description	CIF Price	CIF Price + Duty(40%)	CIF Price + Duty/SSG ¹
0207.14.92	Other cuts and offal of fowl of the species Gallus domesticus, frozen	P50	P70	P85

In 2003, the Philippines imported about \$9 million worth of chicken meat from the United States, mainly chicken leg quarters for use by the food service sector. The United States supplies nearly half of all Philippine chicken meat imports while Canada supplies about 40 percent.

¹ SSG was computed based on rule set in Section 24 (b) of Republic Act 8800 or the Safeguard Measures Act.